

Gujarat NRE Resources NL

NBR Drilling 2006 Assay Results and Davis Role Tube Results

SGS Laboratories Perth WA
September –December 2006



SGS Lakefield Orestest Pty.Ltd. Job No: 10057
Client: Ore Pro Pty Limited
Project: Davis Tube Testing of Magnetite Samples

DAVIS TUBE TESTING OF MAGNETITE SAMPLES

JOB NO: 10057

CLIENT: Ore Pro Pty Limited

DATE: 18 December 2006

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SGS Lakefield Oretest Pty.Ltd. Job No: 10057
Client: Ore Pro Pty Limited
Project: Davis Tube Testing of Magnetite Samples

EXECUTIVE SUMMARY

Fifty one magnetite bearing ore samples received from Ore Pro Pty Limited, on behalf of Zelos Resources, were crushed and pulverised prior to conducting Davis tube separations on 20 g sub-samples of the pulverised ore. Percentage mass collected as magnetics and magnetic fraction assays are presented overleaf.

Davis Tube Magnetic Fraction Recoveries and Assays

SAMPLE ID	Mass Rec'y %	Solids Assay - %							
		Fe	Fe ₃ O ₄	FeS	SiO ₂	Al ₂ O ₃	S	P	LOI
40037	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40038	30.1	62.8	85.4	2.8	11.30	0.03	1.01	0.01	-1.69
40039	6.1	61.1	84.1	0.7	14.20	BDL	0.24	0.07	-2.51
40040	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40041	29.1	65.7	90.7	0.3	7.19	0.02	0.12	0.04	-1.36
40042	61.0	70.5	97.4	0.1	1.43	0.01	0.02	BDL	-2.46
40043	48.0	70.0	96.7	0.1	2.57	BDL	0.02	BDL	-2.83
40044	12.4	62.0	85.5	0.4	13.60	0.02	0.14	0.03	-2.86
40045	66.8	70.2	97.0	0.1	1.60	BDL	0.03	BDL	-2.46
40046	27.9	64.5	89.0	0.2	1.43	0.04	0.08	0.01	4.56
40047	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40048	7.7	58.3	77.3	6.6	12.60	0.03	2.41	0.03	1.75
40049	13.1	60.6	78.7	10.1	6.56	0.01	3.68	0.03	4.19
40050	24.2	65.0	89.8	0.2	6.59	BDL	0.06	BDL	-0.32
40051	55.3	68.0	94.0	0.0	3.10	0.02	0.01	BDL	-0.92
40052	37.7	61.4	84.3	1.2	7.75	0.08	0.42	BDL	2.90
40053	11.2	51.0	70.0	1.0	15.00	0.68	0.36	BDL	8.14
40054	1.0	IS	0.0	0.0	IS	IS	IS	IS	IS
40055	22.1	58.3	80.2	0.7	11.00	0.10	0.27	BDL	3.80
40056	8.7	62.1	85.3	1.0	7.76	0.69	0.36	0.00	-0.29
40057	3.0	IS	IS	IS	IS	IS	IS	IS	IS
40058	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40075	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40076	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40077	21.2	60.2	82.2	2.0	6.27	0.14	0.74	BDL	4.65
40078	17.6	59.1	79.7	3.9	3.10	0.07	1.44	BDL	7.00
40079	21.9	61.9	83.9	3.4	2.04	BDL	1.23	BDL	4.98
40080	3.1	58.9	80.0	2.9	0.70	BDL	1.05	BDL	I/S
40081	6.6	61.8	84.3	2.3	0.47	BDL	0.84	BDL	I/S
40082	1.5	IS	IS	IS	IS	IS	IS	IS	IS
40083	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40084	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40085	11.1	61.0	84.2	0.3	8.31	0.51	0.10	BDL	1.80
40086	7.5	59.6	80.4	4.0	11.40	0.43	1.47	BDL	1.36
40087	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00

1. INTRODUCTION

Mr Paul Rundel of Ore Pro Pty Limited (the client) requested SGS Lakefield Orestest Pty Ltd (SGS) to conduct the following testwork on 51 magnetite bearing ore samples:

- Cone crush each ore sample and split out a 150 g sub-sample.
- Pulverise each sub-sample for exactly 1.5 minutes.
- Conduct a Davis tube separation on 20 g of the pulverised material at 1,000 Gauss and assay the magnetic and non magnetic products.

2. SAMPLES RECEIVED

On the 6th November 2006 a bag with 51 samples was received from the client on behalf of Zelos Resources. The samples were designated as shown overleaf in Table 2.1.

Table 2.1 – Sample Log

Sample ID on Bag	Net Mass (g)
40037	414.5
40038	512.5
40039	395.3
40040	840.1
40041	349.3
40042	598.7
40043	1104.7
40044	284.0
40045	839.2
40046	664.4
40047	684.6
40048	398.3
40049	356.7
40050	769.2
40051	1168.5
40052	1344.5
40053	1170.3
40054	1454.4
40055	900.4
40056	1868.8
40057	1389.0
40058	776.5
40059	878.6
40060	631.1
40061	859.4
40062	726.6
40063	1476.8
40064	654.1
40065	625.1



Sample ID on Bag	Net Mass (g)
40066	1298.1
40067	462.7
40068	508.4
40069	679.1
40070	871.8
40071	1023.1
40072	1001.9
40073	528.6
40074	786.3
40075	437.8
40076	389.2
40077	1135.3
40078	743.0
40079	576.3
40080	750.8
40081	607.0
40082	643.8
40083	376.8
40084	319.2
40085	729.5
40086	1081.4
40087	725.5

3. SAMPLE PREPARATION

After weighing each sample was crushed to approximately – 4 mm using a cone crusher. A sub-sample with a mass of 150 g was then split out using a riffle splitter and pulverised for exactly 1.5 minutes. Davis tube magnetic separations were conducted on 20 g sub-samples of the pulverised material.

4. ANALYTICAL PROCEDURES USED

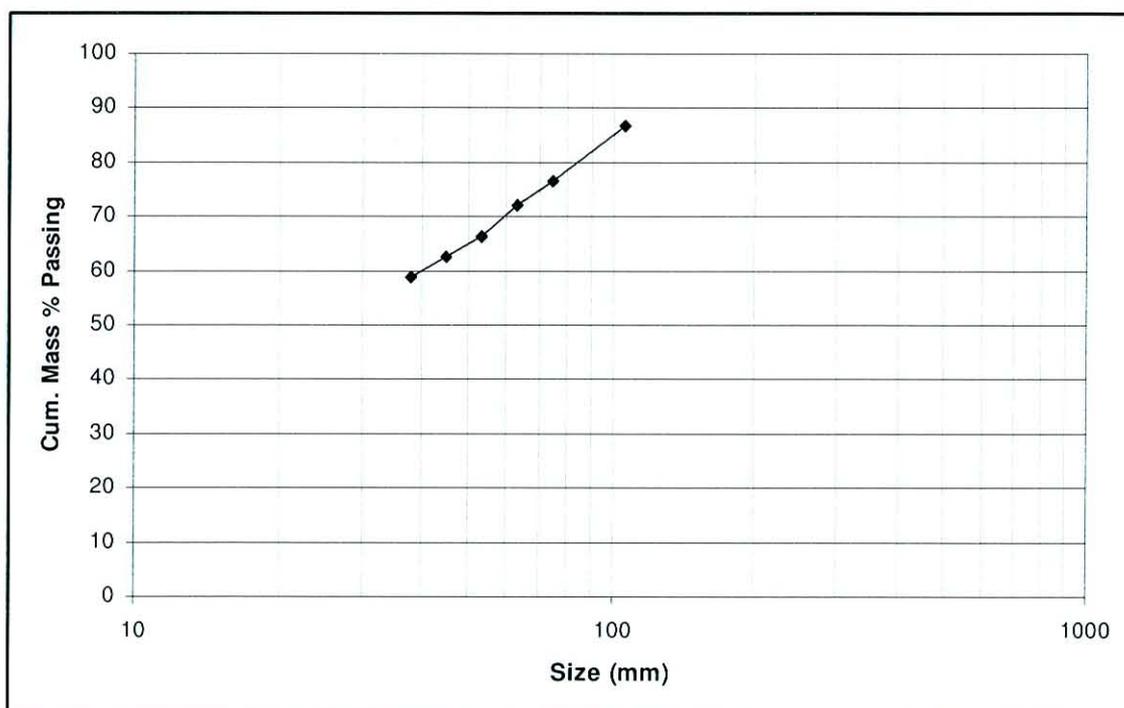
All assays were performed by SGS Analabs (Welshpool) by XRF.

5. TESTWORK PROCEDURES AND RESULTS

5.1 Davis Tube Feed Size Distribution

100 g pulverised material from samples 40038, 40045, 40052, 40079 and 40085 were combined and wet screened at 38 μm to remove the fines. The + 38 μm material was then dry screened at 106 μm , 75 μm , 63 μm , 53 μm , 45 μm and 38 μm . The P_{80} (the size at which 80% of the sample mass passes) was determined to be 86 μm . The size distribution graph is presented below in Figure 5-1.

Figure 5-1 – Davis Tube Feed Size Analysis



5.2 Davis Tube Separation

Sub-samples of pulverised ore with a mass of 20 g from each of the 51 samples were passed through the Davis tube for 15 minutes with a wash water flowrate of 540 mL/min.

At the request of the client only Davis tube products from samples 40037 to 40058 and samples 40075 to 40087 were analysed. Percentage mass collected as magnetics and magnetic fraction assays are presented in Table 5.1.

Table 5.1 – Davis Tube Magnetic Fraction Recoveries and Assays

SAMPLE ID	Mass Rec'y %	Solids Assay - %							
		Fe	Fe ₃ O ₄	FeS	SiO ₂	Al ₂ O ₃	S	P	LOI
40037	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40038	30.1	62.8	85.4	2.8	11.30	0.03	1.01	0.01	-1.69
40039	6.1	61.1	84.1	0.7	14.20	BDL	0.24	0.07	-2.51
40040	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40041	29.1	65.7	90.7	0.3	7.19	0.02	0.12	0.04	-1.36
40042	61.0	70.5	97.4	0.1	1.43	0.01	0.02	BDL	-2.46
40043	48.0	70.0	96.7	0.1	2.57	BDL	0.02	BDL	-2.83
40044	12.4	62.0	85.5	0.4	13.60	0.02	0.14	0.03	-2.86
40045	66.8	70.2	97.0	0.1	1.60	BDL	0.03	BDL	-2.46
40046	27.9	64.5	89.0	0.2	1.43	0.04	0.08	0.01	4.56
40047	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40048	7.7	58.3	77.3	6.6	12.60	0.03	2.41	0.03	1.75
40049	13.1	60.6	78.7	10.1	6.56	0.01	3.68	0.03	4.19
40050	24.2	65.0	89.8	0.2	6.59	BDL	0.06	BDL	-0.32
40051	55.3	68.0	94.0	0.0	3.10	0.02	0.01	BDL	-0.92
40052	37.7	61.4	84.3	1.2	7.75	0.08	0.42	BDL	2.90
40053	11.2	51.0	70.0	1.0	15.00	0.68	0.36	BDL	8.14
40054	1.0	IS	0.0	0.0	IS	IS	IS	IS	IS
40055	22.1	58.3	80.2	0.7	11.00	0.10	0.27	BDL	3.80
40056	8.7	62.1	85.3	1.0	7.76	0.69	0.36	0.00	-0.29
40057	3.0	IS	IS	IS	IS	IS	IS	IS	IS
40058	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40075	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40076	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40077	21.2	60.2	82.2	2.0	6.27	0.14	0.74	BDL	4.65
40078	17.6	59.1	79.7	3.9	3.10	0.07	1.44	BDL	7.00
40079	21.9	61.9	83.9	3.4	2.04	BDL	1.23	BDL	4.98
40080	3.1	58.9	80.0	2.9	0.70	BDL	1.05	BDL	I/S
40081	6.6	61.8	84.3	2.3	0.47	BDL	0.84	BDL	I/S
40082	1.5	IS	IS	IS	IS	IS	IS	IS	IS
40083	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00



SAMPLE ID	Mass Rec'y %	Solids Assay - %							
		Fe	Fe ₃ O ₄	FeS	SiO ₂	Al ₂ O ₃	S	P	LOI
40084	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40085	11.1	61.0	84.2	0.3	8.31	0.51	0.10	BDL	1.80
40086	7.5	59.6	80.4	4.0	11.40	0.43	1.47	BDL	1.36
40087	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00

Notes:

BDL = Below Detection Limit
IS = Insufficient Sample



SGS Lakefield Orestest Pty.Ltd. Job No: 10057
Client: Ore Pro Pty Limited
Project: Davis Tube Testing of Magnetite Samples

Appendix A : Sample Log

Job Number: 10057
Client: Ore Pro
Hole Sample Log



Sample ID on Bag	Gross Bag Weight (g)	Bag Weight (g)	Net Weight (g)
40037	441.9	27.4	414.5
40038	539.9	27.4	512.5
40039	422.7	27.4	395.3
40040	867.5	27.4	840.1
40041	376.7	27.4	349.3
40042	626.1	27.4	598.7
40043	1132.1	27.4	1104.7
40044	311.4	27.4	284.0
40045	866.6	27.4	839.2
40046	691.8	27.4	664.4
40047	712.0	27.4	684.6
40048	425.7	27.4	398.3
40049	384.1	27.4	356.7
40050	796.6	27.4	769.2
40051	1195.9	27.4	1168.5
40052	1371.9	27.4	1344.5
40053	1197.7	27.4	1170.3
40054	1481.8	27.4	1454.4
40055	927.8	27.4	900.4
40056	1896.2	27.4	1868.8
40057	1416.4	27.4	1389.0
40058	803.9	27.4	776.5
40059	906.0	27.4	878.6
40060	658.5	27.4	631.1
40061	886.8	27.4	859.4
40062	754.0	27.4	726.6
40063	1504.2	27.4	1476.8
40064	681.5	27.4	654.1
40065	652.5	27.4	625.1
40066	1325.5	27.4	1298.1

Job Number: 10057

Client: Ore Pro

Hole Sample Log



Sample ID on Bag	Gross Bag Weight (g)	Bag Weight (g)	Net Weight (g)
40067	490.1	27.4	462.7
40068	535.8	27.4	508.4
40069	706.5	27.4	679.1
40070	899.2	27.4	871.8
40071	1050.5	27.4	1023.1
40072	1029.3	27.4	1001.9
40073	556.0	27.4	528.6
40074	813.7	27.4	786.3
40075	465.2	27.4	437.8
40076	416.6	27.4	389.2
40077	1162.7	27.4	1135.3
40078	770.4	27.4	743.0
40079	603.7	27.4	576.3
40080	778.2	27.4	750.8
40081	634.4	27.4	607.0
40082	671.2	27.4	643.8
40083	404.2	27.4	376.8
40084	346.6	27.4	319.2
40085	756.9	27.4	729.5
40086	1108.8	27.4	1081.4
40087	752.9	27.4	725.5



SGS Lakefield Orestest Pty.Ltd. Job No: 10057
Client: Ore Pro Pty Limited
Project: Davis Tube Testing of Magnetite Samples

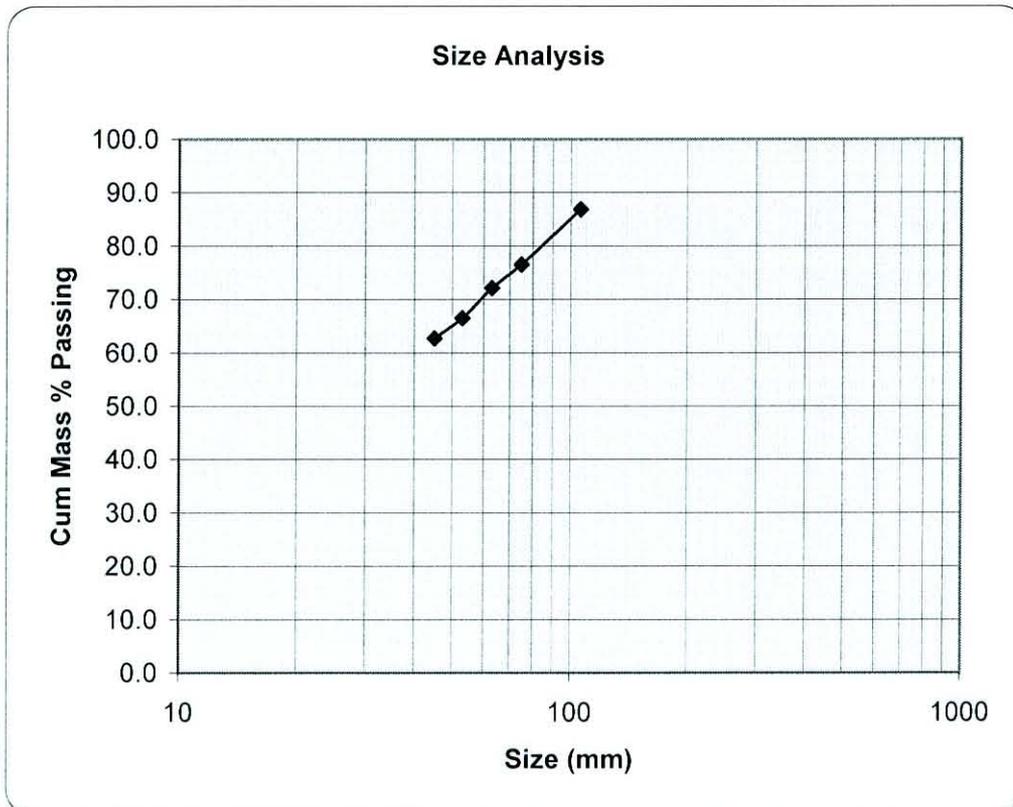
Appendix B : Davis Tube Feed Size Distribution

Job Number: 10057
Client: Ore Pro
Davis Tube Feed
100 g of 40038, 40045, 40052,
40079 & 40085



Size (µm)	Weight (g)	Mass %	Mass % Retained	Mass % Passing
106	65.1	13.1	13.1	86.9
75	51.4	10.4	23.5	76.5
63	21.7	4.4	27.9	72.1
53	27.8	5.6	33.5	66.5
45	18.8	3.8	37.3	62.7
38	18.4	3.7	41.0	59.0
-38	292.1	59.0	96.3	3.7
Total	495.3	100.0		

P80 = 86 µm



Job Number: 10057

Client: Ore Pro

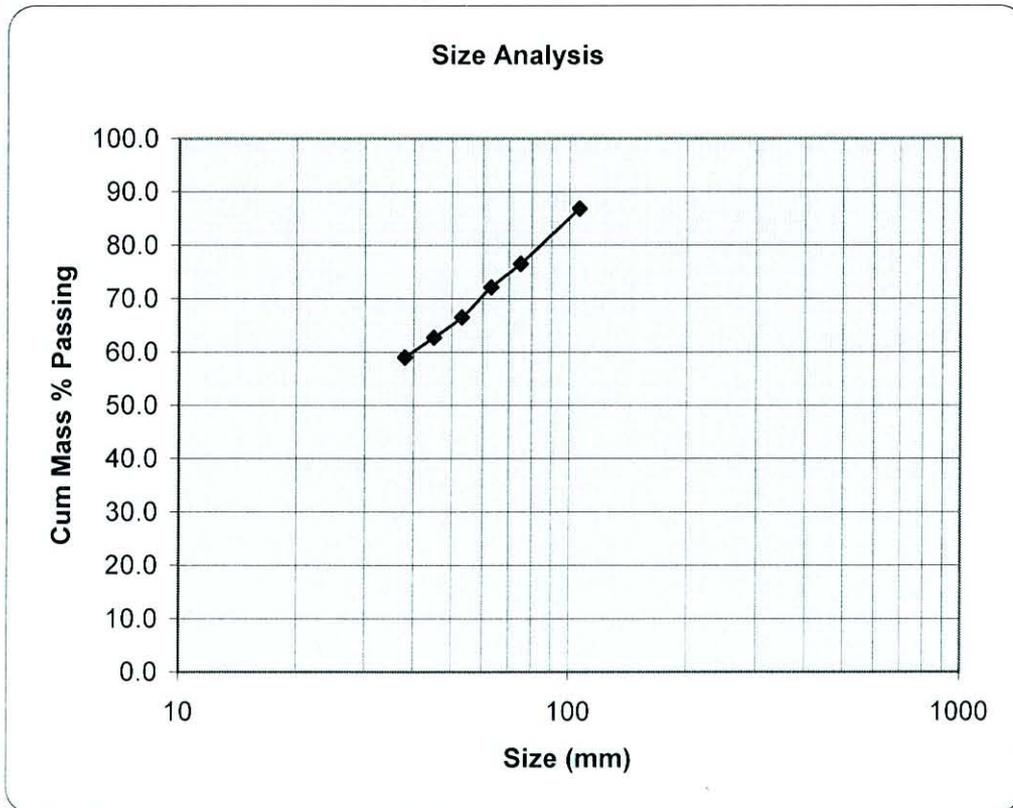
Davis Tube Feed

**100 g of 40038, 40045, 40052,
40079 & 40085**



Size (µm)	Weight (g)	Mass %	Mass % Retained	Mass % Passing
106	65.1	13.1	13.1	86.9
75	51.4	10.4	23.5	76.5
63	21.7	4.4	27.9	72.1
53	27.8	5.6	33.5	66.5
45	18.8	3.8	37.3	62.7
38	18.4	3.7	41.0	59.0
-38	292.1	59.0	100.0	0.0
Total	495.3	100.0		

P80 = 86 µm





SGS Lakefield Orestest Pty.Ltd. Job No: 10057
Client: Ore Pro Pty Limited
Project: Davis Tube Testing of Magnetite Samples

Appendix C : Davis Tube Results and Fraction Assays

Job Number: 10057
 Client: Ore Pro
 Summary



Magnetic Fraction Results	Mass %	Solids Assay - %							
		Fe	Fe ₃ O ₄	FeS	SiO ₂	Al ₂ O ₃	S	P	LOI
40037	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40038	30.1	62.8	85.4	2.8	11.30	0.03	1.01	0.01	-1.69
40039	6.1	61.1	84.1	0.7	14.20	BDL	0.24	0.07	-2.51
40040	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40041	29.1	65.7	90.7	0.3	7.19	0.02	0.12	0.04	-1.36
40042	61.0	70.5	97.4	0.1	1.43	0.01	0.02	BDL	-2.46
40043	48.0	70.0	96.7	0.1	2.57	BDL	0.02	BDL	-2.83
40044	12.4	62.0	85.5	0.4	13.60	0.02	0.14	0.03	-2.86
40045	66.8	70.2	97.0	0.1	1.60	BDL	0.03	BDL	-2.46
40046	27.9	64.5	89.0	0.2	1.43	0.04	0.08	0.01	4.56
40047	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40048	7.7	58.3	77.3	6.6	12.60	0.03	2.41	0.03	1.75
40049	13.1	60.6	78.7	10.1	6.56	0.01	3.68	0.03	4.19
40050	24.2	65.0	89.8	0.2	6.59	BDL	0.06	BDL	-0.32
40051	55.3	68.0	94.0	0.0	3.10	0.02	0.01	BDL	-0.92
40052	37.7	61.4	84.3	1.2	7.75	0.08	0.42	BDL	2.90
40053	11.2	51.0	70.0	1.0	15.00	0.68	0.36	BDL	8.14
40054	1.0	IS	0.0	0.0	IS	IS	IS	IS	IS
40055	22.1	58.3	80.2	0.7	11.00	0.10	0.27	BDL	3.80
40056	8.7	62.1	85.3	1.0	7.76	0.69	0.36	0.00	-0.29
40057	3.0	IS	0.0	0.0	IS	IS	IS	IS	IS
40058	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40075	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40076	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40077	21.2	60.2	82.2	2.0	6.27	0.14	0.74	BDL	4.65
40078	17.6	59.1	79.7	3.9	3.10	0.07	1.44	BDL	7.00
40079	21.9	61.9	83.9	3.4	2.04	BDL	1.23	BDL	4.98
40080	3.1	58.9	80.0	2.9	0.70	BDL	1.05	BDL	I/S
40081	6.6	61.8	84.3	2.3	0.47	BDL	0.84	BDL	I/S
40082	1.5	IS	0.0	0.0	IS	IS	IS	IS	IS
40083	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40084	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
40085	11.1	61.0	84.2	0.3	8.31	0.51	0.10	BDL	1.80
40086	7.5	59.6	80.4	4.0	11.40	0.43	1.47	BDL	1.36
40087	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00



This report has been prepared by SGS Lakefield Orestest Pty Ltd (SGS) at the request of Paul Rundel of Ore Pro Pty Limited (Client).

This Report presents the results of the metallurgical testwork conducted by SGS on the samples (the Samples) provided by the Client.

This Report is provided to the Client on the basis that the Client expressly acknowledges that:

- (a) no representations have been made to SGS as to the purpose for which the tests are required to be conducted; and
- (b) the Testwork was carried out by SGS on the Samples provided by the Client.
- (c) SGS was in not involved in:
 - the drilling, collection or transportation of the Samples; and
 - the handling of the Samples prior to their delivery to SGS.

By this Report, SGS makes no representation or warranty (express or implied) as to the nature, source, completeness or handling of the Samples and SGS and its directors, employees, agents and consultants denies and disclaims all liability (including for negligence) for any loss, cost, expense or damage arising from the opinions or conclusions contained in this report to the extent that loss, cost, expense or damage arises from the nature, source, completeness or handling of the Samples prior to their delivery to SGS.

SGS expressly denies liability for all damages for loss of opportunity, loss of revenue, loss of actual or anticipated profit or other consequential loss arising either directly or indirectly from reliance by the Client or any other person on the content and conclusions of this report.